

JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN OFFICE OF THE GOVERNOR LANSING

JOHN D. CHERRY, JR.

January 4, 2007

Michigan House of Representatives State Capitol Lansing, Michigan 48909-7514

Ladies and Gentlemen:

I return to you without signature and with my objections Enrolled House Bills 4257, 4647, 5761, 6292, and 6661, as provided under Section 33 of Article IV of the Michigan Constitution of 1963.

The State of Michigan continues to face enormous fiscal challenges. Because of ongoing economic restructuring, the revenues used to provide critical services for our citizens have eroded. In particular, sales tax revenues have dropped sharply in the past several months. Additionally, the accelerated elimination of the Single Business Tax by the 93rd Michigan Legislature coupled with the failure to enact replacement revenues has created a massive fiscal hole.

The total cost of these bills, combined with new capital spending under recently vetoed capital outlay legislation, totals in the hundreds of millions of dollars. Before considering these expenditures, Michigan must be on stable fiscal footing. For these reasons, I will not sign bills such as these, though they may be very worthy, that impose significant new costs.

I look forward to working with the new 94th Michigan Legislature on other important issues after the state's fiscal house has been restored to order.

Respectfully,

Jennifer M. Granholm

Governor

